

**APPLICATION FOR PERMIT TO APPROPRIATE THE PUBLIC
WATERS OF THE STATE OF NEVADA**

Date of filing in State Engineer's Office MAY 04 2004

Returned to applicant for correction _____

Corrected application filed _____

Map filed MAY 04 2004

The applicant **Continental Equipment Company** hereby makes application for permission to appropriate the public waters of the State of Nevada, as hereinafter stated. (If applicant is a corporation, give date and place of incorporation; if a copartnership or association give names of members.) **Not Incorporated**

1. The source of the proposed appropriation is **Underground**
2. The amount of water applied for is **0.25 cfs, not to exceed 3.43 Acre-Feet Annually** second-feet
 - (a) If stored in reservoir give number of acre-feet
3. The water to be used for **Commercial & Domestic Purposes**
4. If use is for:
 - (a) Irrigation, state number of acres to be irrigated
 - (b) Stockwater, state number and kinds of animals to be watered
 - (c) Other use (describe fully under No. 12. "Remarks")
 - (d) Power:
 - (1) Horsepower developed
 - (2) Point of return of water to stream
5. The water is to be diverted from its source at the following point **SW $\frac{1}{4}$ NE $\frac{1}{4}$, Section 35, T.20N., R.26E., or at a point from which the NW Corner of said Section 35 bears N. 61°37'35" W., a distance of 3,405.0 feet**
6. Place of Use **Portions of the following subdivisions: NW $\frac{1}{4}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$ NW $\frac{1}{4}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$, NW $\frac{1}{4}$ NE $\frac{1}{4}$, SW $\frac{1}{4}$ NE $\frac{1}{4}$, all in Section 35, T.20N., R.26E., M.D.B.&M. (Churchill County APN 009-271-055)**
7. Use will begin about **January 1** and end about **December 31** of each year.
8. Description of proposed works **drilled and cased well equipped with a motor, pump, meter, storage tank and distribution system**
9. Estimated cost of works **\$150,000.00**
10. Estimated time required to construct works **Five (5) years**
11. Estimated time required to complete the application of water to beneficial use **Ten (10) years**
12. Remarks: **See Attachment "A"**

s/Gregory M. Bilyeu
By **Gregory M. Bilyeu**
500 Damonte Ranch Parkway, Suite 1056
Reno, NV 89521

Compared cmf/sam lt/sam

Protested _____

APPROVAL OF STATE ENGINEER

This is to certify that I have examined the foregoing application, and do hereby grant the same, subject to the following limitations and conditions:

This permit is issued subject to existing rights. It is understood that the amount of water herein granted is only a temporary allowance and that the final water right obtained under this permit will be dependent upon the amount of water actually placed to beneficial use. It is also understood that this right must allow for a reasonable lowering of the static water level. This well shall be equipped with a two (2) inch opening for measuring depth to water. If the well is flowing, a valve must be installed and maintained to prevent waste. A totalizing meter must be installed and maintained in the discharge pipeline near the point of diversion and accurate measurements must be kept of water placed to beneficial use. The totalizing meter must be installed before any use of water begins, or before the Proof of Completion of Work is filed. This source is located within an area designated by the State Engineer, pursuant to NRS 534.030. The State retains the right to regulate the use of the water herein granted at any and all times.

This permit does not extend the permittee the right of ingress and egress on public, private or corporate lands.

The issuance of this permit does not waive the requirements that the permit holder obtain other permits from State, Federal and local agencies.

This permit is issued under the provisions of NRS 534.120(2) as a preferred use.

Any well drilled under this permit shall be drilled in what has been described in the United States Geological Survey Water Supply Paper 2263 as the intermediate alluvial aquifer. In no instance shall the seal on this well be less than 100 feet below ground level.

Any water under this permit not put to beneficial use at this location will revert to the ground water source.

(CONTINUED ON PAGE 3)

The amount of water to be appropriated shall be limited to the amount which can be applied to beneficial use, and not to exceed 0.25 cubic feet per second, but not to exceed 3.07 acre-feet annually.

Work must be prosecuted with reasonable diligence and be completed on or before:

January 5, 2006

Proof of completion of work shall be filed before:

February 5, 2006

Water must be placed to beneficial use on or before:

January 5, 2007

Proof of the application of water to beneficial use shall be filed on or before:

February 5, 2007

Map in support of proof of beneficial use shall be filed on or before:

N/A

IN TESTIMONY WHEREOF, I, HUGH RICCI, P.E.,

State Engineer of Nevada, have hereunto set
my hand and the seal of my office,

this 5th day of January, A.D. 2005

Hugh Ricci, P.E.
State Engineer

Completion of work filed _____

Proof of beneficial use filed _____

Cultural map filed N/A _____

Certificate No. _____ Issued _____